(421)

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON THE FIRST PART OF ITS THIRTY-SEVENTH SESSION */

held at the Palais des Nations, Geneva,
from 1 to 12 October and on 17 October 1990

---

*/ The present report to the General Assembly is being circulated to Permanent Missions in Geneva in a limited number of copies.

UNCTAD/PSM/CAS/244
GE.90-55967/2528B

CONTENTS

		Paragraphs	Page
I.	INTRODUCTION	1 - 2	1
	A. Agenda	3	1
	B. Election of officers	4	1
	C. Membership and attendance	5 - 11	1
	D. Resolutions and decisions requiring the attention of, or action by, the General Assembly	12	3
II.	RESOLUTIONS AND DECISIONS ADOPTED BY THE TRADE AND DEVELOPMENT BOARD AT THE FIRST PART OF ITS THIRTY-SEVENTH SESSION		4
	A. Resolutions		5
	B. Decisions		9
	C. Other decisions		11
III.	STATEMENTS MADE IN CONNECTION WITH RESOLUTIONS AND DECISIONS ADOPTED BY THE BOARD		17
	A. Resolution 387 (XXXVII): Interdependence of problems of trade, development finance and the international monetary system		17
	B. Resolution 388 (XXXVII): Debt and development problems of developing countries		18
	C. Arrangements and preparations for the eighth session of the United Nations Conference on Trade and Development		19

Annexes

I.	Agenda for the first part of the thirty-seventh session of the Trade and Development Board	21
II.	Provisional agenda for the second part of the thirty-seventh regular session of the Trade and Development Board	24
III.	Interdependence of problems of trade, development finance and the international monetary system: Economic consequences of the latest crisis. Draft resolution submitted by Senegal on behalf of the States members of the Group of 77	26

READEX FICHE

I. INTRODUCTION

1. The present report to the General Assembly has been prepared in accordance with the guidelines adopted by the Trade and Development Board in its decision 302 (XXIX) of 21 September 1984. 1/

2. The first part of the thirty-seventh session of the Board was held at the Palais des Nations, Geneva, from 1-12 October and on 17 October 1990 (773rd to 781st meetings) and was opened by Mr. Oscar de Rojas (Venezuela), President of the Board at its thirty-sixth session.

A. Agenda

3. The agenda for the session is reproduced in annex I.

B. Election of officers

4. The Bureau of the Board, elected at the 773rd meeting on 1 October 1990, was as follows:

President: Mr. Jean-David Levitte (France)

Vice-Presidents: Mr. Nabil A. Elaraby (Egypt)
Mr. Werner Reichenbaum (Germany)
Mr. Seyed Mojtaba Arastou (Islamic Republic of Iran)
Mr. Giulio di Lorenzo Badia (Italy)
Mr. Marcelo Vargas (Mexico)
Mr. Emeka Auo Azikiwe (Nigeria)
Mr. Luis Gonzalez Arias (Paraguay)
Mr. Piotr Freyberg (Poland)
Mr. Morris B. Abram (United States of America)
Mr. Yahya Hamoud Geghman (Yemen)

Rapporteur: Mr. A. N. Sytchev (Byelorussian Soviet Socialist Republic)

C. Membership and attendance 2/

5. The following States members of UNCTAD, members of the Board, were represented at the session:

Afghanistan
Algeria
Argentina
Australia
Austria
Bahrain
Bangladesh
Belgium
Bhutan
Bolivia
Brazil
Bulgaria
Burundi
Byelorussian Soviet Socialist Republic
Cameroon
Canada
Chile
China
Colombia
Côte d'Ivoire
Cuba
Czechoslovakia
Democratic People's Republic of Korea
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
Germany
Ghana
Greece
Haiti
Honduras

Hungary
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Kuwait
Lebanon
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Malta
Mauritius
Mexico
Mongolia
Morocco
Myanmar
Namibia
Netherlands
New Zealand
Nicaragua
Nigeria
Norway
Oman
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Republic of Korea
Romania
Sao Tome and Principe
Saudi Arabia
Senegal
Singapore
Somalia
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Syrian Arab Republic
Thailand
Trinidad and Tobago
Tunisia
Turkey
Ukrainian Soviet Socialist Republic
Union of Soviet Socialist Republics
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Viet Nam
Yemen
Yugoslavia
Zimbabwe

6. The following other States members of UNCTAD, not members of the Board, were represented at the session: Albania; Holy See.

7. Palestine participated pursuant to General Assembly resolution 3237 (XXIX). The Pan Africanist Congress of Azania participated pursuant to General Assembly resolution 3280 (XXIX).

8. The Economic Commission for Europe; Economic Commission for Africa; United Nations Development Programme; United Nations Population Fund; United Nations Conference on Environment and Development were represented at the session. The International Trade Centre UNCTAD-GATT was also represented at the session.

9. The following specialized and related agencies were represented at the session: Food and Agriculture Organization of the United Nations; World Health Organization; World Bank; International Monetary Fund; World Intellectual Property Organization; United Nations Industrial Development Organization. The General Agreement on Tariffs and Trade was also represented at the session.

10. The following intergovernmental organizations were represented at the session: Commonwealth Secretariat; European Economic Community; International Organization for Migration; International Textiles and Clothing Bureau; League of Arab States; Organisation for Economic Co-operation and Development; Organization of African Unity; Permanent Secretariat of the General Treaty on Central American Economic Integration.

11. The following non-governmental organizations were represented at the session: General Category: Friends World Committee for Consultation (Quakers); International Bar Association; International Chamber of Commerce; International Confederation of Free Trade Unions; International Council of Women; World Assembly of Small and Medium Enterprises; World Federation of Trade Unions; World Federation of United Nations Associations. Special Category: International Air Transport Association; International Association of Islamic Banks.

D. Resolutions and decisions requiring the attention of, or action by, the General Assembly

12. The attention of the General Assembly is drawn to the following resolutions and decisions, the texts of which are contained in section II below: 3/

A. Resolutions

387 (XXXVII)	Interdependence of problems of trade, development finance and the international monetary system
388 (XXXVII)	Debt and development problems of developing countries

B. Decisions

384 (XXXVII)	UNCTAD's contribution, within its mandate, to sustainable development (Board decision 370 (XXXV))
385 (XXXVII)	Economic co-operation among developing countries
386 (XXXVII)	Review of the calendar of meetings

II. RESOLUTIONS AND DECISIONS ADOPTED BY THE TRADE AND DEVELOPMENT BOARD AT THE FIRST PART OF ITS THIRTY-SEVENTH SESSION

A. Resolutions

387 (XXXVII) Interdependence of problems of trade, development finance and the international monetary system

388 (XXXVII) Debt and development problems of developing countries

B. Decisions

384 (XXXVII) UNCTAD's contribution, within its mandate, to sustainable development (Board decision 370 (XXXV))

385 (XXXVII) Economic co-operation among developing countries

386 (XXXVII) Review of the calendar of meetings

C. Other decisions

A. Resolutions

387 (XXXVII) Interdependence of problems of trade, development finance and the international monetary system 4/

The Trade and Development Board,

Taking into account the Declaration adopted at the eighteenth special session of the United Nations General Assembly on international economic co-operation,

Taking also into account the Declaration adopted on the occasion of the twenty-fifth anniversary of UNCTAD in Board resolution 376 (XXXVI),

Recalling Board resolution 374 (XXXVI) of 13 October 1989,

Taking into consideration the debate on the interdependence of problems of trade, finance and the monetary system at the first part of its thirty-seventh session,

Taking into consideration the prevailing international economic situation,

Adopts the following recommendations:

1. The Trade and Development Board, aware that one of the key elements for the success of economic policies is the determination to adapt, invites all countries to pursue effective and efficient structural adjustment efforts, in accordance with their priorities, objectives, capacities, specific conditions and needs, making use of market signals as appropriate. Poverty alleviation, equitable burden sharing, participatory development and democratization based on respect of national sovereignty are important conditions and objectives of development. The acceleration of changes in the international situation makes it more necessary than ever to adjust to the new situation.

2. The present opportunity to restore a long-term approach to development and move beyond short-term adjustment must be seized. Actions should take into account the responsibility of each country for its own development and should be in accordance with its capacity and its impact on the international economy.

3. The Board invites Governments and competent international institutions to support the development efforts of the developing countries by additional resources and to continue to address the debt problem, taking into account resolution 388 (XXXVII) on debt adopted by the Board at the current session. The Board underlines that the international community should support adjustment policies in developing countries in the spirit of reinforced partnership. It invites industrialized countries to do their utmost to contribute to the necessary actions in accordance with their capacities and their economic power. It invites the international financial institutions to further enhance their aid to developing countries and improve its quality.

4. The Board, underlining the particular importance in the present context of a successful outcome of the Uruguay Round, appeals to all Governments engaged in the Multilateral Trade Negotiations to reaffirm their determination to achieve balanced results, opening the way to increased liberalization and sustained growth in world trade for the benefit of all countries and specially developing countries.

5. The Board, being aware that one of the important factors in the international economic situation resides also in the growing differences in global finance needs and savings levels, which further aggravate the problem of allocating adequate resources for development, invites all countries to favour, by appropriate policies, an increase in their level of savings so as to release extra financial resources commensurate with investment and development needs. The additional resources thus released should be used in an effective and profitable way to achieve in all countries sustained and sustainable development. All countries should continue to establish conditions favourable to national and foreign investment, the reduction of flight capital and its repatriation.

6. In order to bring about a more favourable international economic environment conducive to development, there is a crucial need for co-operation in a number of important areas, notably: the dialogue on commodities; the reduction of internal and external imbalances; and the stability of the international monetary system through further co-ordination of economic and monetary policies.

781st meeting
17 October 1990

388 (XXXVII) Debt and development problems of developing countries 5/

The Trade and Development Board,

Reaffirming its resolution 375 (XXXVI) of 13 October 1989,

Recalling the Final Act of UNCTAD VII, and General Assembly resolution 41/202,

Noting General Assembly resolutions 42/198, 43/198, 44/205 and 44/232,

Concerned that many developing countries, particularly the heavily indebted ones, continue to experience poor growth performance, which is a threat to their economic, social and political stability,

Further concerned by continued insufficient financial resources available to developing countries for development, which in a number of cases have not offset the outflows of resources from developing countries,

Welcoming the recent improvements in the debt strategy and especially:

(a) The wide application of the Toronto terms since 1988;

(b) The application by the Paris Club of new practices in favour of lower middle-income countries since September 1990, which include longer repayment periods as well as, on a voluntary basis, limited debt for nature, debt for aid, debt for equity swaps or other local currency debt swaps;

(c) The efforts made or announced by developed countries, in conformity with Trade and Development Board resolution 165 (S-IX) of 11 March 1978, by cancelling official development assistance debt, or providing equivalent relief;

(d) The recommendations made by the Interim and Development Committees to implement fully and expeditiously the strengthened debt strategy;

(e) The number of debt and debt-service reduction packages already concluded, or in the course of negotiation, between debtor countries and commercial banks;

(f) The proposals made by some Governments, such as those of France, the Netherlands and the United Kingdom, involving further measures to reduce the official debt burden, and efforts by the United States to implement the Enterprise for the Americas Initiative designed to promote investment, growth and debt reduction in Latin America,

Noting with interest the continued analytical efforts carried out by a number of international institutions, and that the Secretary-General of the United Nations has appointed Mr. Bettino Craxi as his Personal Representative on Debt,

Encouraging further progress to be made in the implementation of the debt strategy in order to contribute to the restoration of normal debtor-creditor relations in most heavily indebted countries, external viability, sustained and satisfactory growth, and adjustment efforts of developing countries,

Noting with deep concern the serious adverse impact of the latest crisis on many developing countries, particularly the heavily indebted ones and those most seriously affected,

Recognizing the role of the international financial institutions in dealing with the debt problems of developing countries,

1. Agrees that further action through the international debt strategy is needed to achieve expeditiously durable, equitable and mutually agreed solutions to the problem of indebtedness in each of the countries concerned, with a view to promoting the revival of growth and sustained development in developing countries. This will require, inter alia:

(a) Intensified efforts by industrial countries, within the framework of international co-operation, to bring about a more favourable international economic environment conducive to non-inflationary growth and development by adopting an appropriate mix of fiscal and monetary policies conducive to a decline in interest rates; by promoting the stability of exchange markets; by facilitating adequate financing of adjustment programmes; by encouraging the flow of foreign direct investment and other non-debt creating flows to developing countries; and by contributing, with all trading partners, to a timely and successful outcome of the Uruguay Round of multilateral trade negotiations that would result in the liberalization and expansion of world trade to the benefit of all countries, especially developing countries;

(b) The strengthening by debtor countries of their growth-oriented adjustment policies including sound macro-economic and structural policies, measures to consolidate national savings, attract foreign direct investment and other non-debt-creating flows, and reverse capital flight, taking into account their priorities and the needs of the most vulnerable groups;

(c) Intensified efforts to review the terms of official debt reschedulings in order to bring debt-service obligations in line with what heavily indebted countries can be expected to pay according to their capacity,

- without jeopardizing their adjustment efforts, their economic growth and the satisfaction of basic social needs,

- through urgent consideration of the various proposals recently put forward by a number of creditor Governments concerning the reduction of official bilateral debt and debt service owed by low-income countries,

- through, inter alia, consideration of options by creditor countries to lighten the debt burden of middle-income countries with significant official debt;

(d) Faster and more effective implementation of the strengthened debt strategy designed, inter alia, to extend, on an appropriate scale, to additional eligible countries the reduction of debt and debt service owed to commercial banks, with financial support from official sources, where appropriate. In this regard, multilateral institutions and creditor Governments are invited to continue to review intensively those aspects of their operating guidelines, and fiscal and regulatory provisions, that have a bearing on debt and debt-service reduction, to ensure that they facilitate this process;

(e) Careful consideration of measures by multilateral financial institutions, development funds and donor countries to alleviate the burden of multilateral debt owed by the least developed countries, as recommended by the Second United Nations Conference on the Least Developed Countries in Paris;

(f) Adequate financial assistance by donors to developing countries making serious efforts to cope with overdue obligations to multilateral financial institutions, in order to help clear arrears and finance structural adjustment programmes through a co-operative approach;

(g) Due consideration to be given by creditors, through the adoption of appropriate policies, to those developing countries with substantial debt burdens that have not restructured their debt and have remained current in servicing their external obligations, while carrying out sound macro-economic policies;

2. Urges the multilateral financial institutions and the donor countries to take appropriate steps to assist effectively developing countries adversely affected by the latest crisis. In particular, the multilateral financial institutions are invited to respond promptly, flexibly and with expanded resources to the needs of the present situation, and play a catalytic role in mobilizing additional assistance.

781st meeting
17 October 1990

B. Decisions

384 (XXXVII) UNCTAD's contribution, within its mandate, to sustainable development (Board decision 370 (XXXV))

The Trade and Development Board,

Recalling General Assembly resolutions 42/187 and 44/227 and Board decision 370 (XXXV),

Recalling also General Assembly resolution 44/228 on a United Nations Conference on Environment and Development (UNCED),

Considering that an integrated perspective of both environment and development is crucial to all countries to make headway in efforts to achieve sustainable development and to tackle the root causes of poverty and environmental degradation,

Reconfirming that sustainable development does not constitute a new form of conditionality in development asssistance and financing,

Taking note of the report by the UNCTAD secretariat, "Sustainable development and UNCTAD activities" (TD/B/1267),

1. Decides that the objective of sustainable development, particularly the reduction of poverty, should be incorporated into all areas of UNCTAD's work at the intergovernmental level, and that the respective committees at their forthcoming sessions should consider activities in relation to sustainable development in the context of their work programme in the light of this decision;

2. Invites the Secretary-General of UNCTAD to ensure that the concept of sustainable development be systematically integrated in the ongoing work of the secretariat, in particular in the areas of trade, commodities, technology and finance for development;

3. Further invites the Secretary-General of UNCTAD to ensure that sustainable development is adequately reflected in UNCTAD's analytical work, and that this work contributes to the elaboration of innovative thinking and increased awareness in the area of environmental development economics;

4. Encourages continued co-operation between the secretariats of UNCED and UNCTAD to contribute to the preparations for the United Nations Conference on Environment and Development in 1992, concerning the issues within the scope of that Conference which also fall within UNCTAD's mandate, inter alia, through the preparation in UNCTAD for the eighth session of the United Nations Conference on Trade and Development;

5. Requests the Secretary-General of UNCTAD, taking into account studies undertaken in other appropriate fora, to prepare an analysis, if possible for the first part of the thirty-eighth session of the Trade and Development Board, of the issue of sustainable development, in particular the reduction of poverty and its interface with policies and mechanisms in environmentally sensitive sectors, such as agriculture, energy, industry and transport, as well as with relevant structural policies such as those relating to the enterprise sector;

6. Requests the Secretary-General of UNCTAD, in connection with the efforts to promote dialogue within UNCTAD on the interlinkages between environmental and trade policies, to adjust the UNCTAD Trade Control Measures Information System to monitor environmental regulations for possible protectionism and to monitor non-tariff measures which have a bearing on the environment;

7. Reconfirms the need for UNCTAD to conduct the activities outlined above within overall existing resources, without having a negative effect on other ongoing priority programmes. At the same time, the Secretary-General of UNCTAD may examine ways in which additional voluntary extra-budgetary resources could be used effectively to implement the objectives of this decision;

8. Reiterates the request contained in the annex to its decision 370 (XXXV) to the Secretary-General of UNCTAD to develop proposals for technical assistance, in co-operation with the United Nations Development Programme (UNDP) and other relevant agencies;

9. Underlines that the activities referred to above should pay specific attention to the needs of the least developed countries, including, inter alia, small island States among them;

10. Invites international development agencies and donor countries in a position to do so to provide voluntary extra-budgetary resources for the purpose of technical assistance.

780th meeting
12 October 1990

385 (XXXVII) Economic co-operation among developing countries

The Trade and Development Board,

Recalling its resolution 142 (XVI) of 23 October 1976 and Committee on Economic and Co-operation among Developing Countries resolutions 1 (I) of 9 May 1977, 2 (III) of 5 October 1983, 3 (IV) of 29 November 1985, and 4 (V) of 12 June 1989, as well as the relevant provisions of the Final Act adopted by the Conference at its seventh session,

Noting the recommendations on ECDC contained in the report of the South Commission,

Noting further the efforts made by developing countries to promote ECDC in general, expand trade among themselves in particular and to improve their international trade capabilities,

Recognizing that while the primary responsibility for enhancing intra-developing country trade, and ECDC in general, lies with the developing countries, the support of other members of the international community and a favourable external environment play a significant role in ECDC success,

Bearing in mind the various constraints on expansion of developing-country mutual trade: particularly, limitations of access to markets and to external resources on suitable terms and conditions, the dearth of financial resources that can be spared for trade financing, structural weaknesses of trade-support networks in marketing, distribution, communication and transport,

Reiterating the need for continued effective and practical support by the UNCTAD secretariat to developing countries and their groupings in their efforts to promote ECDC in general and mutual trade in particular,

Calls upon the Secretary-General of UNCTAD to enhance his support to economic co-operation among developing countries by:

(a) Assisting developing countries and their groupings through various forms of technical assistance with the promotion of ECDC in general, TCDC, and the expansion of intra-developing-country trade in particular, including, if requested, advice on the preparation, conduct and evaluation of trade negotiations among developing countries. In this connection, UNDP and other funding institutions are invited to provide financial support to UNCTAD to carry out these projects;

(b) Undertaking, in co-operation with member States, an in-depth study on the main impediments and disincentives which adversely affect the expansion of trade among developing countries. This study should explore those measures and alternatives of relevance with specific recommendations for future consideration in the Trade and Development Board through the Committee on Economic Co-operation among Developing Countries.

780th meeting
12 October 1990

386 (XXXVII) Review of the calendar of meetings 6/

The Trade and Development Board,

Approves the calendar of meetings for the remainder of 1990;

Takes note of the draft calendar of meetings for 1991 and the tentative schedules for 1992 and 1993, on the understanding that these will be finalized in the light of the timing of UNCTAD VIII.

780th meeting
12 October 1990

C. Other decisions

1. Adoption of the report on credentials
(Agenda item 1 (c))

1. At the 780th meeting, on 12 October 1990, the Board adopted the report submitted by its Bureau on the credentials of all representatives attending the session (TD/B/1276).

2. Provisional agenda for the second part of the thirty-seventh regular session of the Board
(Agenda item 1 (d))

2. At the 780th meeting, on 12 October 1990, the Board approved the provisional agenda for the second part of its thirty-seventh session, as contained in TD/B/L.908 (reproduced in annex I). In this connection, the Board endorsed the following understanding, read out by the President, concerning future treatment by the Board of relevant trade issues pertaining to the countries of Eastern Europe:

> "There are a number of resolutions and decisions of both the Conference and the Board requiring that problems pertaining to trade relations among countries having different economic and social systems be considered by the Trade and Development Board in one of its Sessional Committees.
>
> It is recalled that - during the discussion at the second part of the thirty-sixth session of the Trade and Development Board and consultations at the current session of the Board - a general view emerged that, in the light of policy changes in the countries of Eastern Europe, future consideration of any relevant issues requiring attention should be dealt with in the context of the overall problematique of international trade and economic co-operation. It is therefore the view of member States that a separate Board item on trade relations among countries with different economic and social systems is no longer required.
>
> It is noted that the Secretary-General of UNCTAD is making the necessary adjustments to the work programme and organization of the UNCTAD secretariat and that this will be reflected in due course in the Programme Budget."

3. In accordance with past practice, the Board authorized the Secretary-General of UNCTAD, in consultation with the President, to adjust and complete the provisional agenda in the light of developments. This arrangement was on the understanding that any amendments or additions would be subject to consultations with the representatives of regional groups within the framework of the consultative machinery established by Board decision 143 (XVI) and Board resolution 231 (XXII). The Board also requested the Secretary-General of UNCTAD to consult delegations regarding the organization of work of the session and to circulate his suggestions thereon.

3. Interdependence of problems of trade, development finance and the international monetary system
(Agenda item 3)

4. At the 780th meeting, the Board decided to annex to its report the text of a draft resolution entitled "Economic consequences of the latest crisis" submitted by Senegal on behalf of the Group of 77 (TD/B/L.907, reproduced in annex III below).

4. Reports of subsidiary and other bodies

5. At its 775th meeting, the Board took note of the report of the United Nations Commission on International Trade Law on the work of its twenty-third session (A/45/17), which had been submitted to the Board for comment (under the cover of TD/B/1269) in pursuance of General Assembly resolution 2205 (XXI), section II, paragraph 10.

6. At its 779th meeting, the Board took note of the report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twenty-third session (ITC/AG/XXIII/122 and Add.1, issued under cover of TD/B/1268) and of the comments made thereon.

7. At the 780th meeting, on 12 October 1990, the Board took note of:

(a) The report of the Intergovernmental Group of Experts on Restrictive Business Practices on its ninth session (TD/B/1261-TD/B/RBP/76), and of the comments made thereon, and endorsed the agreed conclusions annexed thereto;

(b) The report of the Committee on Invisibles and Financing related to Trade on the first part (insurance) of its thirteenth session (TD/B/1249-TD/B/C.3/237) and of the comments made thereon, and endorsed the provisions of resolution 33 (XIII) annexed thereto; and took note of the report of the Committee on the second part (financing related to trade) of its thirteenth session (TD/B/1262-TD/B/C.3/239) and of the comments made thereon, and endorsed the provisions of resolution 34 (XIII) annexed thereto;

(c) The report of the Special Committee on Preferences on its seventeenth session (TD/B/1263-TD/B/C.5/132) and of the comments made thereon, and endorsed the provisions of resolution 11 (XVII) and agreed conclusions 12 (XVII) annexed thereto;

(d) The report of the Committee on Shipping on its fourteenth session (TD/B/1264-TD/B/C.4/336) and of the comments made thereon, and endorsed the provisions of resolutions 64 (XIV), 65 (XIV), 66 (XIV) and 67 (XIV) annexed thereto;

(e) The report of the Meeting of Governmental Experts of Island Developing Countries and Donor Countries and Organizations (A/CONF.147/5-TD/B/AC.46/4) and decided to transmit the comments made thereon to the General Assembly at its forty-fifth session, at which time, pursuant to Assembly resolution 43/189, the report itself would be before the Assembly.

5. Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1991
(Agenda item 10 (c))

8. At the 780th meeting, on 12 October 1990, the Board confirmed the membership of the Working Party on the Medium-term Plan and the Programme Budget for 1991 as follows: Argentina; Australia; Brazil; Bulgaria; China; Egypt; Germany; India; Japan; Kenya; Peru; Philippines; Poland; Sweden; Union of Soviet Socialist Republics; United Kingdom of Great Britain and Northern Ireland; United Republic of Tanzania; United States of America; and Yugoslavia.

6. Treatment of new States members of UNCTAD for purposes of elections
(Agenda item 10 (a))

9. At its 773rd meeting, the Board noted that since Democratic Yemen and the Yemem Arab Republic had merged to form a single State, the membership of UNCTAD had changed from 168 to 167. It further noted that the unification of the Federal Republic of Germany and the German Democratic Republic would bring UNCTAD's membership to 166.

7. Announcement of any changes in the membership of the Board and election to membership of main Committees
(Agenda item 10 (b))

10. At its 773rd meeting, the Board elected the Democratic Republic of Sao Tome and Principe to membership of the Board and its main Committees. Taking account of the merger of Democratic Yemen and the Yemen Arab Republic to form a single State, the membership of the Board and its main Committees was confirmed as follows: Trade and Development Board - 131; Committee on Commodities - 107; Committee on Manufactures - 101; Committee on Invisibles and Financing related to Trade - 103; Committee on Shipping - 103; Committee on Transfer of Technology - 99; Committee on Economic Co-operation among Developing Countries - 110.

11. The Board took note that the unification of the Federal Republic of Germany and the German Democratic Republic would reduce the membership of the Board and its main Committees by one.

8. Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board
(Agenda item 10 (d))

12. At its 775th meeting, on 3 October 1990, the President drew attention to a list of 99 intergovernmental bodies designated under rule 76 of the rules of procedure (TD/B/INF/106/Rev.1). In this connection the Board took note that the International Tin Council had ceased to exist as of 31 July 1990.

9. Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure
(Agenda item 10 (e))

13. Also at its 775th meeting, the Board approved the applications by the following three non-governmental organizations for designation under rule 77 of the rules of procedure of the Board and decided, in accordance with the recommendations of the Secretary-General of UNCTAD (TD/B/1274), that they should be classified under the terms of subparagraphs 12 (a) and (b) of Board decision 43 (VII), as follows:

General category:

International Federation of Business and Professional Women (IFBPW).

Special category for UNCTAD organ indicated other than the Board:

	UNCTAD organ
Caribbean Shipping Association (CSA)	Committee on Shipping
Professional Association of Natural Rubber in Africa (ANRA)	Committee on Commodities

10. United Nations Programme of Action for African Economic Recovery and Development 1986-1990: initiation of preparations for UNCTAD's intergovernmental input into the final assessment by the General Assembly in 1991
(Agenda item 6)

14. At the 780th meeting, the Board took note of the report by the UNCTAD secretariat (TD/B/1265) and of the comments made thereon.

11. Assistance to the Palestinian people (Conference resolutions 146 (VI) of 2 July 1983 and 169 (VII) of 3 August 1987)

15. At the 780th meeting, the Board took note of the report by the UNCTAD secretariat (TD/B/1266 and Corr.1 (Arabic and English only)) and of the comments made thereon.

12. Arrangements and preparations for the eighth session of the United Nations Conference on Trade and Development
(Agenda item 5)

16. At the 780th meeting, the Board approved the substantive item of the provisional agenda for the eighth session of the Conference as follows:

Strengthening national and international action and multilateral co-operation for a healthy, secure and equitable world economy.

Evaluation of challenges and potentials presented by long-term structural changes for sustainable development and expansion of international trade in an interdependent world economy. Promoting economic growth, technological capabilities and accelerated development in the developing countries: adoption of sound national and international policies and measures, good management and structural reforms in both developed and developing countries to achieve the effective and efficient allocation, use and mobilization of human and economic resources and a more favourable international economic environment. Towards this end, issues in the following interrelated areas would be addressed: resources for development; international trade; technology; services; commodities.

17. The Board further noted the related understanding reached in informal consultations that, in addition to the plenary, there would be only one sessional committee and that there would not be more than three simultaneous official meetings.

18. The Board authorized the President to report directly to the General Assembly as appropriate the outcome of the continuing consultations on the question of the venue and dates of the Conference.

19. The Board further authorized the Secretary-General of UNCTAD to complete the provisional agenda for UNCTAD VIII through the addition of the customary administrative and procedural items.

20. Statements made by the spokesmen for the Group of 77, Group B, and Group D and the representative of China in connection with the above decision are reproduced in part III below.

13. Economic co-operation among developing countries (Agenda item 8 (b))

21. At the 780th meeting, the Board decided to remit to a future session item 8 (b) (ii), "Problems of trade financing in developing countries (paragraph 4 (c) (iii) of resolution 4 (V) of the Committee on Economic Co-operation among Developing Countries".

III. STATEMENTS MADE IN CONNECTION WITH RESOLUTIONS AND DECISIONS ADOPTED BY THE BOARD

A. Resolution 387 (XXXVII): Interdependence of problems of trade, development finance and the international monetary system

1. The spokeswoman for the Group of 77 (India) said her Group was happy that in paragraph 1 of resolution 387 (XXXVII) the question of structural adjustment had been put in the context of not only national priorities, objectives and needs but also capacities in the international economy and that all countries had been asked to undertake structural adjustment. Her Group also saw the mention of poverty alleviation, equitable burden sharing and participative democracy with due respect to national sovereignty as conditions and objectives for development in both the national context and international context, since to realize these objectives and conditions actions were necessary at both the national and international level. Also what was advocated nationally could not be denied in the international context.

2. Her Group attached great importance to paragraph 2, which underlined the need to restore a long-term approach to development and look beyond short-term adjustment. It also valued the need for those countries with greater capacity and impact on the global economy to shoulder their responsibilities for bringing about development in keeping with their capacities and impact.

3. The Group of 77 greatly welcomed the political will displayed in paragraph 3 by developed countries, which had undertaken to provide additional resources to developing countries for their development efforts as well as to support structural adjustment efforts. It particularly appreciated their commitment to do their utmost to contribute to the necessary action for development. The appeal to international financial institutions to enhance and improve the quality of their aid to developing countries was also welcome.

4. The call to all Governments engaged in the Uruguay Round to reaffirm their determination to achieve balanced results for the benefit especially of developing countries was both timely and appropriate.

5. Paragraph 5 highlighted the financing gap that developing countries faced and focused on the need for all countries to increase their level of savings so as to release extra-financial resources commensurate with investment and development needs of developing countries and was also an important element of a coherent strategy for bridging the financing gap. The Trade and Development Report 1990 had highlighted the fact that developing countries had shown widespread improvements in their savings ratios but it had not been possible to plough these savings into domestic investment because of outflows connected with debt servicing and other related outflows. Her Group, therefore, expected its developed-country partners to do their utmost also in this regard to achieve sustained and sustainable development. The International Development Strategy contained an agreement to explore modalities and mechanisms to channel existing surpluses in developed countries for productive development purposes in developing countries.

6. Lastly, her Group welcomed the call to make the international economic environment more favourable and conducive to development through initiatives in a number of important areas identified in the resolution.

B. Resolution 388 (XXXVII): Debt and development problems of developing countries

7. The representative of Bulgaria said his country had joined the consensus on the resolution on debt because it was well aware of the serious problems which the developing countries were facing. It did so with the understanding that it was not only the Gulf countries that had been severely hit by the Gulf crisis. The direct losses alone incurred by Bulgaria by the end of 1990 would amount to $US 1.4 billion. These figures were not as high as those of the losses suffered by some other States; they were, however, much greater if viewed from a per capita point of view, not to mention the problems created by the non-delivery of more than 3 million tons of oil, which confronted Bulgarians with disaster if the winter was long and harsh.

8. He emphasized that the last paragraph of this resolution, in which UNCTAD called upon the multilateral financial institutions and donor countries to take appropriate steps for playing a catalytic role in mobilizing additional assistance for the developing countries adversely affected by the crisis, was inter alia of particular relevance for Bulgaria.

9. The spokesman for Group B (Germany) said that his Group disagreed with the wording found to describe the Gulf crisis in the preamble and paragraph 2, namely, "latest crisis". All were well aware that the crisis was about the Iraqi invasion and occupation of Kuwait, which was referred to with appropriate wording in a number of Security Council resolutions.

10. The representative of Poland said that his country had joined the consensus on the adoption of resolution 388 (XXXVII) because it understood the grave problems these countries faced with respect to their external debt.

11. However, he stressed that, in line with the letter and spirit of Board resolution 375 (XXXVI), Poland considered the debt issue to be a global one, not pertaining exclusively to a single group of countries. In view of the foregoing his delegation was strongly convinced that the debt and debt-servicing problems of other heavily indebted middle-income countries, especially those, like Poland, that found themselves in the difficult process of adjustment required by their transition from a command to a market-based and export-oriented economy, should also be given adequate consideration by the international community with a view to alleviating their difficulties and easing the burden of their debt and its servicing cost. This was all the more so as Poland was among the countries most heavily affected by the Persian Gulf crisis and bore the considerable cost of joining United Nations sanctions imposed in response to the crisis.

12. Poland believed that UNCTAD should keep these problems and difficulties in view while considering the debt issues, which should be dealt with in UNCTAD in their global dimension.

13. The representative of the United States of America stated that one paragraph of resolution 388 (XXXVII) referred to the recommendations of the Second United Nations Conference on the Least Developed Countries. While the United States had joined in the consensus on those recommendations his Government had entered a formal reservation on one paragraph which dealt with debt relief measures as they applied to the multilateral institutions.

This being so he had been asked by his Government to repeat a portion of the text of its final statement at the Conference on the Least Developed Countries in the context of joining the consensus on the resolution which the Board had just adopted, namely:

> "The reasons for this reservation are twofold: first, on substance, the United States opposes any language suggesting - even obliquely - that multilateral financial institutions should undertake new debt relief initiatives which could have adverse implications for the sound financial basis and credit rating of such institutions. Secondly, on principle, the United States believes it is inappropriate for this, or any other United Nations forum to interfere with the independent mandate of such institutions and put forward specific proposals for new initiatives. Maintaining the independence, integrity, and sound financial standing of the multilateral institutions is a matter of prime importance - to all nations - above all those depending on future access to development financing."

C. Arrangements and preparations for the eighth session of the United Nations Conference on Trade and Development

14. The spokesman for Group B (Germany) said that Group B agreed to the substantive agenda approved by the Board for UNCTAD VIII, being confident following consultations with the Secretary-General of UNCTAD that the documents prepared for UNCTAD VIII would also reflect all relevant issues related to good management to achieve the effective and efficient allocation, use and mobilization of resources.

15. The spokesman for the Group of 77 (India) said his Group accepted the agenda proposed for UNCTAD VIII. With reference to the statement by the spokesman for Group B, the Group of 77 had the following observations.

16. In his Group's view the major focus of UNCTAD VIII should be on the promotion of international co-operation and the creation of a favourable international environment for development, and the adoption of the necessary national and international policies to that end.

17. In so far as the question of good management was concerned, his Group must stress that the objectives of good management, as indeed of the other measures mentioned in the agenda, included not only the effective and effcient allocation and use of resources as mentioned by the spokesman for Group B, but also, much more important, the creation of a more favourable international economic environment, as was indeed agreed in the text approved.

18. The Group of 77 was unable to subscribe to Group B's views with regard to the issues to be covered under the topic of "good management" expressed during the discussions which had taken place on the draft agenda. In so far as the substantive issues before UNCTAD VIII were concerned, the views of the Group of 77 had already been set forth in detail in document TD/B/L.906.

19. The spokesman for Group D (USSR) welcomed the agreement on the substantive agenda for UNCTAD VIII, which he ascribed to the spirit of co-operation prevailing in the informal negotiations.

20. The representative of China expressed his pleasure with the consensus that the Board had reached on the substantive agenda item for UNCTAD VIII. Nevertheless, the results were not entirely satisfactory. Given the present world economic situation the Conference should focus on some of the major issues related to development and the world economy which were of great concern to the developing countries, especially with regard to resources, technology, trade, services and commodities and seek solutions to the problems in these areas. The secretariat should prepare balanced documents on all these issues and should not give excessive emphasis to factors in any one area to the prejudice of any other area. The organization of the sessional bodies was necessary to ensure full and balanced consideration of all issues and promote positive results in all areas.

Notes

1/ See Official Records of the General Assembly, Thirty-ninth session, Supplement No. 15 (A/39/15), vol. II, sect. II.

2/ For the list of participants, see TD/B/INF.180.

3/ All texts were adopted without a vote.

4/ For a statement made by the spokesman for the Group of 77 (India) on the adoption of this resolution, see part III.

5/ For statements made by the spokesman for Group B (Germany), and the representatives of Bulgaria, Poland and the United States on the adoption of this resolution, see part III.

6/ The revised calendar will be circulated in TD/B/INF.179.

Annex I

AGENDA FOR THE FIRST PART OF THE THIRTY-SEVENTH SESSION OF THE TRADE AND DEVELOPMENT BOARD a/

1. Procedural matters:

   (a) Election of officers;

   (b) Adoption of the agenda and organization of the work of the session;

   (c) Adoption of the report on credentials;

   (d) Provisional agenda for the second part of the thirty-seventh regular session of the Board

2. Follow-up and review of the implementation of the Final Act of UNCTAD VII in accordance with Board decision 350 (XXXIV):

   - Stocktaking of the implementation of the Final Act of UNCTAD VII in preparation for UNCTAD VIII

3. Interdependence of problems of trade, development finance and the international monetary system b/

4. Debt and development problems of developing countries:

   - Including discussion called for in paragraph 2 of General Assembly resolution 44/232, of 22 December 1989, on trends in the transfer of resources to and from the developing countries and their impact on the economic growth and sustained development of those countries

5. Arrangements and preparations for the eighth session of the United Nations Conference on Trade and Development

6. United Nations Programme of Action for African Economic Recovery and Development 1986-1990: initiation of preparations for UNCTAD's intergovernmental input into the final assessment by the General Assembly in 1991

7. Assistance to the Palestinian people (Conference resolutions 146 (VI) of 2 July 1983 and 169 (VII) of 3 August 1987)

8. Other matters in the field of trade and development: c/

   (a) UNCTAD's contribution, within its mandate, to sustainable development (Board decision 370 (XXXV));

   (b) Economic co-operation among developing countries:

      (i) Analyses and proposals for the facilitation of trade expansion among developing countries (paragraph 4 (f) of resolution 4 (V) of the Committee on Economic Co-operation among Developing Countries);

(ii) Problems of trade financing in developing countries (paragraph 4 (c) (iii) of resolution 4 (V) of the Committee on Economic Co-operation among Developing Countries);

(c) Export promotion: report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twenty-third session;

(d) Progressive development of the law of international trade: twenty-third annual report of the United Nations Commission on International Trade Law

9. Other matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies:

(a) Restrictive business practices;

(b) Invisibles and financing related to trade;

(c) Preferences;

(d) Shipping;

(e) Island developing countries

10. Institutional, organizational, administrative and related matters:

(a) Treatment of new States members of UNCTAD for purposes of elections;

(b) Announcement of any changes in the membership of the Board and election to membership of main Committees;

(c) Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1991;

(d) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

(e) Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure;

(f) Review of the calendar of meetings;

(g) Administrative and financial implications of the actions of the Board

11. Other business

12. Adoption of the report of the Board.

Notes

a/ Adopted by the Board at its 773rd meeting on 1 October 1990.

b/ Pursuant to paragraphs 7 and 8 of General Assembly resolution 44/219 and paragraphs 105 (7) and (8) of the Final Act of UNCTAD VII, and in line with the consensus recorded at the 730th plenary meeting of the Board (second part of the thirty-fourth session), it has been agreed that, in the consideration of item 3 in its entirety, delegations will be free to refer to developments and issues in the Uruguay Round of particular interest to developing countries. It has also been agreed that an informal exchange on this matter will be organized to which the Director-General of GATT will be invited.

c/ The inclusion of an item on UNCTAD's contribution to the preparations for the International Development Strategy for the Fourth United Nations Development Decade will depend on the outcome of consultations of the Secretary-General of UNCTAD in accordance with Board decision 373 (XXXVI).

Annex II

PROVISIONAL AGENDA FOR THE SECOND PART OF THE THIRTY-SEVENTH REGULAR SESSION OF THE TRADE AND DEVELOPMENT BOARD

1. Procedural matters:

   (a) Adoption of the agenda and organization of the work of the session;

   (b) Adoption of the report on credentials;

   (c) Provisional agenda for the first part of the thirty-eighth regular session of the Board;

   (d) Provisional agenda for the seventeenth special session of the Board;

   (e) Designation of the President of the thirty-eighth regular session of the Board

2. Protectionism and structural adjustment and, in conjunction therewith, outcome of the Uruguay Round on development and issues of particular concern to the developing countries, in accordance with paragraph 105 (8) of the Final Act of UNCTAD VII

3. Preparations for the eighth session of the United Nations Conference on Trade and Development

4. United Nations Programme of Action for African Economic Recovery and Development 1986-1990: UNCTAD's intergovernmental input into the General Assembly's final review and appraisal of the implementation of the Programme of Action in 1991

5. Review of progress in the implementation of the Programme of Action of the Second United Nations Conference on the Least Developed Countries:

   - UNCTAD's contribution to the follow-up of the Programme of Action

6. Other matters in the field of trade and development:

   (a) Implementation of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries (Economic and Social Council resolution 1990/54)

   [to be completed in the light of developments]

7. Other matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies

   [to be completed in the light of developments]

8. Institutional, organizational, administrative and related matters:

   (a) Treatment of new States members of UNCTAD for purposes of elections;

   (b) Announcement of any changes in the membership of the Board and election to membership of main Committees;

   (c) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

   (d) Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure;

   (e) Review of the calendar of meetings;

   (f) Administrative and financial implications of the actions of the Board

   [to be completed in the light of developments]

9. Other business

10. Adoption of the report of the Board.

Annex III

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM

Economic consequences of the latest crisis

Draft resolution submitted by Senegal on behalf of the States members of the Group of 77 a/

(TD/B/L.907)

The Trade and Development Board,

Recalling its resolution 374 (XXXVI) on interdependence,

Noting with appreciation the report of the UNCTAD secretariat entitled "Economic consequences of the present crisis: a preliminary assessment" (TD/B/1272),

Expressing concern at the severe impact of this crisis on the world economy generally, with grave consequences for developing countries,

Conscious of the need for a multilateral financial response commensurate with the needs of the countries adversely affected, especially the most severely affected countries, based on economic criteria,

Conscious also of the urgent need for international co-operation in order to reduce the adverse effects of the crisis,

Taking note of the initiatives already under way,

1. Recommends that the United Nations General Assembly, in co-operation with the relevant institutions of the United Nations system, take steps to identify the extent and nature of the adverse impact on the affected countries and consider establishing an emergency programme of compensation and assistance to such countries so as to ensure that sufficient funds are mobilized expeditiously and on appropriate terms;

2. Requests the Secretary-General of UNCTAD to keep the situation under review and report to the Trade and Development Board at the second part of its thirty-seventh session.

Note

a/ Annexed by decision of the Board at its 781st meeting, on 17 October 1990.